



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**  
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SECRETARY

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**CORRESPONDENCE MEMORANDUM**

**DATE:** August 26, 2010  
**TO:** Audit Committee Members  
**FROM:** John Vincent, Director  
Office of Internal Audit  
**SUBJECT:** Summary of Retired Lives Actuarial Data Verification Audit

**This report is for review and discussion only. No Audit Committee action is required.**

**Background**

The Office of Internal Audit (OIA) completed a review of the 2009 data extracted from the Benefit Payment System (BPS) to ensure that the data provided to the Employee Trust Funds Board's actuary, Gabriel Roeder Smith & Company (GRS), is accurate, complete and reconcilable. The data is used by GRS to perform an actuarial valuation of the liability for retired persons receiving benefits from the Wisconsin Retirement System.

The audit was requested by the Office of Budget and Trust Finance (OBTF), and is included in the 2009-2011 Internal Audit Plan. The audit objectives and scope were developed in conjunction with the OBTF. The examination was conducted in accordance with guidelines set forth in the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

**Summary of Audit Findings and Conclusions**

The OIA found no reportable findings with the audit of the 2009 retired lives actuarial data that the Department of Employee Trust Funds (ETF) provided to the ETF Board's consulting actuary, GRS.

As such, we report the Retired Lives Actuarial Data Verification audit to be free of material errors that may adversely affect GRS' retired lives actuarial valuation.

Reviewed and approved by Rhonda Dunn, Executive Assistant,

Rhonda Dunn 8-26-10  
Signature Date

Board	Mtg Date	Item #
AUD	9.16.10	2A

**Secretary's Office Comments**

*We are very pleased with the results of this audit. The audit verified that the Department's process to provide data to GRS, essential for the annual retired lives valuation, resulted in data that was accurate and reliable. This data is critical as it is the basis upon which the actuaries make their assumptions on the liabilities and soundness of the Wisconsin Retirement System.*

I will be at the Committee meeting to discuss the report and answer any questions.